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July 10, 2000

Mr. David Waddell
Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243-0505

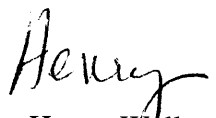
In Re: *Generic Docket to Establish UNE Prices for Lines Sharing per FCC 99-355, and
Riser Cable and Terminating Wire as Ordered in TRA Docket 98-00123.*
Docket No. 00-00544

Dear David:

Please find enclosed the original and thirteen copies of the Motion of BlueStar to Establish a Procedural Schedule and Extend the Deadline for Filing Reply Comments in the above-referenced matter. Copies have been sent to interested parties.

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:


Henry Walker

HW/nl
c: Parties
Attachment

POSTED
7-11-00

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

In re:)
Generic Docket To Establish UNE Prices)
for Line Sharing Per FCC 99-355, and)
Riser Cable and Terminating Wire as)
Ordered in TRA Docket 98-00123)

Docket No. 00-00544

**MOTION TO ESTABLISH A PROCEDURAL SCHEDULE AND
MOTION TO EXTEND THE DEADLINE FOR FILING REPLY COMMENTS**

BlueStar Networks, Inc. ("BlueStar"), DIECA Communications, Inc. d/b/a Covad Communications Company ("Covad"), AT&T Communications of the South Central States, Inc. and TCG MidSouth Inc., and NEXTLINK Tennessee, Inc., pursuant to the Rules of the Tennessee Regulatory Authority ("Authority"), respectfully move that the Authority establish the procedural schedule attached hereto for the above-captioned docket and extend the deadline for filing reply comments pursuant to that new procedural schedule. In the alternative, if the Authority chooses not to establish the proposed procedural schedule (or one substantially similar to it), the undersigned respectfully request that the Authority extend the deadline for filing reply comments to provide competitive carriers with sufficient time to review the complicated cost studies recently filed by BellSouth Telecommunications, Inc. ("BellSouth") and United Telephone-Southeast, Inc. ("UTSE").

The Authority opened this docket on May 9, 2000 to establish "UNE prices for line sharing pursuant to FCC 99-355 and prices for riser cable and terminating wire as ordered in TRA Docket 98-00123." The Authority ordered that cost studies and proposals be filed by June 30, 2000 and that reply comments be filed by July 14, 2000. As of June 30, 2000, at least eleven parties had intervened in the docket. Both BellSouth and UTSE filed proprietary versions of cost

studies, which are not yet available for review by the CLEC intervenors.¹ BellSouth filed cost studies for the high frequency spectrum unbundled network element (“Line Sharing UNE”) and the riser cable and network terminating wire (“NTW”) elements. Sprint filed cost studies for only the Line Sharing UNE.

BlueStar and Covad filed initial comments in this proceeding requesting that interim and permanent rates be set by the Authority for the Line Sharing UNE and riser cable and NTW elements. In addition, BlueStar and Covad requested that the Authority expand the scope of this proceeding to establish interim and permanent rates for unbundled copper loops (“UCLs”), access to loop make-up, and loop conditioning. The undersigned believe that the attached procedural order will allow all participants in this docket an opportunity for a full and fair review of the issues and will ultimately provide the Authority with the critical information it needs to set permanent rates for these UNEs.

I. THE AUTHORITY SHOULD SET A PROCEDURAL SCHEDULE TO CONSIDER FULLY RATES, TERMS AND CONDITIONS.

The issues addressed by this docket are critical to the rapid expansion of advanced telecommunications services, particularly digital subscriber line (“DSL”) services, throughout Tennessee. Moreover, setting rates, terms and conditions for the Line Sharing UNE and riser cable and NTW elements (as well as for UCLs, access to loop make-up, and loop conditioning, if the Authority expands the docket), involves a thorough analysis of the cost studies provided by the BellSouth and UTSE and each of their proposals for terms and conditions for these UNEs and elements. Indeed, proceedings with the opportunity for discovery, direct and rebuttal testimony, and hearings to address some or all of these issues are currently occurring in North

¹ BellSouth also filed a public version of its cost studies.

Carolina and Florida, and a similar proceeding will commence in Kentucky at the end of this month.

The rates, terms and conditions established by this docket will set the ground rules that will determine whether there will be vibrant competition for DSL services in Tennessee during the next few years. To set terms and conditions for the Line Sharing UNE and riser cable and NTW elements, all parties should be required to set forth their respective positions in testimony. Then, the Authority should hold a hearing to resolve any areas of controversy between the parties relating to terms and conditions. For example, although BellSouth has proposed that the Authority adopt the terms and conditions in Covad's Line Sharing Interconnection Agreement Amendment ("Line Sharing Amendment") as permanent terms and conditions, Covad disagrees with this approach. First, rather than arbitrating line sharing issues, Covad agreed to compromise some of its legitimate rights to secure access to the Line Sharing UNE on June 6, 2000, the FCC deadline for implementation of Line Sharing. Without making such a compromise, Covad would have been effectively denied its rights to Line Sharing at the earliest possible date. Since the Authority has opened a full proceeding on terms and conditions, Covad and BlueStar, and others, are entitled to offer evidence that many of the terms and conditions in the existing agreements with BellSouth stifle competition. Moreover, Covad's Interconnection Agreement, to which the Line Sharing Amendment was added, expires in December 2000. Thus, Covad is already in the process of renegotiating terms and conditions for Line Sharing. Covad and BlueStar, and others, will provide the Authority with evidence that BellSouth's loop delivery intervals, splitter delivery intervals, and various other terms (as well as rates) are anticompetitive.

By adopting the procedural schedule suggested by the undersigned, the Authority will also provide for a proceeding that allows all parties the opportunity to review fully the cost

studies by BellSouth and UTSE. Part of the thorough review and analysis needed in this proceeding will require the initiation of discovery requests to both incumbent local exchange carriers so that the undersigned can investigate the cost elements that underlie the enormous and unwarranted proposed rates. For this reason, the undersigned request that the Authority allow us to commence discovery immediately. After allowing for a sufficient time for the review of the cost studies and discovery, the Authority should set dates for Direct and Rebuttal Testimony, to be followed by a hearing on all the issues.

The undersigned will be harmed if required to file only reply comments to the cost studies on the current schedule outlined by the Authority. The current procedural schedule obligates the undersigned to file reply comments by July 14, 2000, providing us with less than two weeks of analysis of the complex cost studies. Moreover, those cost studies have not yet been made fully available to the CLEC intervenors. The undersigned request that the Authority, instead, set a procedural schedule that allows discovery, direct and rebuttal testimony, and hearings, followed by briefs to ensure that the Authority is provided with all the information necessary to address rates, terms and conditions of these elements in a manner that promotes competition in Tennessee. The undersigned propose that the following procedural schedule (or one substantially similar to it) be established in this proceeding²:

Direct Testimony	September 1, 2000
Rebuttal Testimony	September 15, 2000
Hearings	During the week of October 16, 2000

Discovery should be permitted to commence immediately and should include opportunities for depositions. Post-hearing briefs would follow the hearings. With this procedural schedule, both the Authority and the parties will have the opportunity to establish appropriate nondiscriminatory

² This procedural schedule may need to be modified if, and when, BellSouth and UTSE file cost studies for UCLs, loop conditioning, and access to loop make-up information.

rates, terms and conditions for UNEs and elements critical to the deployment of advanced telecommunications services, including DSL services, in Tennessee.

II. IF THE AUTHORITY DOES NOT SET A PROCEDURAL SCHEDULE, IT SHOULD EXTEND THE TIME IN WHICH TO FILE REPLY COMMENTS.

If the Authority adopts the proposed procedural schedule, no reply comments would be required by July 14, 2000. Instead, the parties would begin discovery and file direct testimony at the beginning of September.

If the Authority declines to adopt a full procedural schedule, then the undersigned request that the deadline for filing reply comments be extended to September 1, 2000. As described above, the CLEC intervenors need the opportunity to review and analyze the proposals of BellSouth and UTSE and formulate their responses. The undersigned, and their cost experts, need an opportunity to review thoroughly BellSouth's and UTSE's proposals, and such a review cannot be completed in two weeks. Moreover, because the CLEC intervenors have not even seen the confidential version of BellSouth's cost studies or any version of UTSE's cost studies, it is absolutely impossible at this time to comment adequately on these rate proposals. For these reasons, the undersigned respectfully request an extension for filing any reply comments until September 1, 2000.

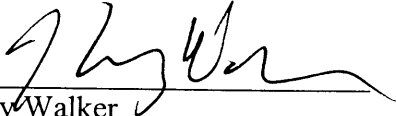
There is no statutory deadline applicable to this proceeding and the delay will not prejudice any party.

WHEREFORE, the undersigned respectfully request that the Authority

1. Order that a procedural schedule be established in Docket No. 00-00544;
2. Adopt the procedural schedule set out above; and
3. In the event that the Authority declines to set a procedural schedule in Docket No. 00-00544, the Authority extends the deadline for filing reply comments to September 1, 2000.

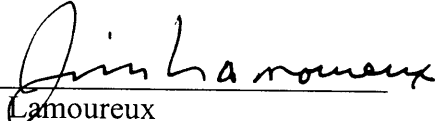

Respectfully submitted,

BlueStar Networks, Inc. and
DIECA Communications, Inc.
d/b/a Covad Communications Company

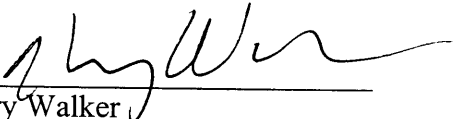
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Counsel for BlueStar Networks, Inc.
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Counsel for NEXTLINK Tennessee, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been forwarded via U.S. Mail, postage prepaid, and facsimile (*) to the following on this 10th day of July, 2000.

Guy M. Hicks*
BellSouth Telecommunications, Inc.
Suite 2101
333 Commerce Street
Nashville, Tennessee 37201-3300

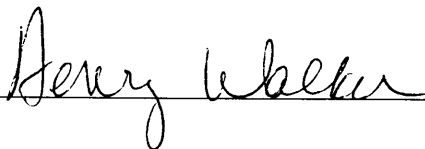
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BEFORE THE TENNESSEE REGULATORY AUTHORITY
Nashville, Tennessee

In Re: Generic Docket To Establish UNE Prices for Line Sharing Per FCC 99-355, and Riser
Cable and Terminating Wire as Ordered in TRA Docket 98-00123

Docket No. 00-00544

ORDER

For good cause shown, the motion of BlueStar Networks, Inc., DIECA Communications, Inc. d/b/a Covad Communications Company, AT&T Communications of the South Central States, Inc. and TCG MidSouth Inc., and NEXTLINK Tennessee, Inc. for a procedural order and motion for extension of time for filing reply comments in the above-captioned proceeding is hereby granted. Based on the representations of the parties, the Hearing Officer finds that granting the motion will not prejudice any party nor violate any applicable statutory deadline.

Therefore, the following procedural schedule is adopted:

Direct Testimony	September 1, 2000
Rebuttal Testimony	September 15, 2000
Hearings	During the week of October 16, 2000

Discovery, including depositions, shall commence immediately. The schedule for post-hearing briefs will be set after the hearings are completed.

It is so ORDERED.

H. Lynn Greer, Jr., Director

ATTEST:

Executive Secretary